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DEPARTMENT OF COMMERCE

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21st Century U.S. Port Competitiveness Initiative: Request for Public Comment

AGENCY: U.S. Department of Commerce.

ACTION: Notice and request for comments.

SUMMARY: The U.S. Department of Commerce (Department) is seeking public input on U.S. seaport efficiency and competitiveness issues for its 21st Century U.S. Port Competitiveness Initiative. In this effort, the Department is working with seaports, stakeholders, and port users to identify and share best practices in port-stakeholder-user coordination, collaboration, and information-sharing that are being used to resolve operational and infrastructure issues that affect freight flows and increase port and supply chain congestion. The Department's goal is to ensure that U.S. seaports and their supply chains have the tools they need to strengthen U.S. port and supply chain competitiveness, facilitate international trade, and catalyze local, regional, national economic growth and job creation. We welcome input from all interested parties.

DATES: Submit written comments on or before 5 p.m. Eastern time on [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments on this notice by any of the following methods:

- **Electronic Submissions:** Submit your comments via the Federal eRulemaking Portal. Go to <http://www.regulations.gov/#!docketDetail;D=DOC-2016-0003>, click the "Comment Now!" icon, complete the required fields, and enter or attach your comments.

- Mail: Russell Adise, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Room 11018, Washington, DC 20230. Include on the envelope the following identifier “Attn: 21st Century U.S. Port Competitiveness Initiative.”

Comments submitted by email should be machine-readable and should not be copy-protected.

Responders should include the name of the person or organization filing the comment, as well as a page number on each page of their submissions. Paper submissions should also include a CD or DVD with an electronic version of the document, which should be labeled with the name and organization of the filer. Please do not include in your comments information of a confidential nature, such as sensitive personal information or proprietary information. All comments received are a part of the public record and will generally be posted to **regulations.gov** without change. All personal identifying information (*e.g.*, name, address) voluntarily submitted by the commenter may be publicly accessible. Information obtained as a result of this notice may be used by the Federal Government for program planning on a non-attribution basis.

FOR FURTHER INFORMATION CONTACT: Russell Adise, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Room 11018, Washington, DC 20230; telephone: (202) 482-5086; email: Russell.Adise@trade.gov. Please direct media inquiries to the Department’s Office of Public Affairs, (202) 482-4883.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND

The U.S. marine transportation system is an essential driver of the U.S. economy. Every day, U.S. ports and waterways handle millions of tons of domestic and international cargo, ranging from retail and agricultural products to finished goods and components, coal, petrochemicals, heating oil and automobiles. Those ports support more than 23 million American jobs throughout the supply chain, including the local economy in and around port communities.

America's seaports are crucial generators of economic development and well-paying jobs, both regionally and nationally, and throughout the supply chains that use the ports. They are also crucial to our nation's ability to take advantage of the leveled playing field and increased market access being enabled by Administration trade initiatives, including the Trans-Pacific Partnership (TPP). Approximately 75 percent of U.S. international merchandise exports and imports flow through our seaports including Made in America exports and the intermediate goods and components used in them.

Long-term port congestion and efficiency problems remain a major systemic threat that creates a drag on local, regional, and national economic growth and employment.¹ According to a recent *Journal of Commerce* seaport berth productivity report, U.S. West Coast container ports may be as much as 25 to 48 percent less productive than the world's most efficient container ports. As the nationwide port congestion and slowdown in 2014 and 2015 demonstrated, what happens at any one port, or group of ports, can have far-reaching and nationwide impacts on all U.S. ports and the companies and stakeholders that use and rely on them.

Port congestion and efficiency problems stem from a variety of factors, only some of which are directly under a seaport's control. Larger vessels, growing trade volumes, insufficient infrastructure, operating inefficiencies, poor labor-management relations, and lack of communication and collaboration among ports, stakeholders, and users can result in inefficient cargo movement and congestion that can dramatically slow the movement of trade to and

¹ Please see Federal Maritime Commission, "U.S. Container Port Congestion & Related International Supply Chain Issues: Causes, Consequences & Challenges," June 2015 <http://www.fmc.gov/NR15-11/>.

through America's seaports, ultimately resulting in lost sales, markets, and jobs across the nation, and the loss of U.S. port and supply chain competitiveness in the global marketplace. U.S. seaports' inability to respond quickly enough to rapidly-changing industry and cargo flow demands further compromises U.S. trade, competitiveness, and resiliency.

In the U.S., most of the elements of these port-related challenges are owned by local government entities and domestic and foreign companies, with limited communication across the full range of ports, users, and stakeholders affected by these challenges. To address these issues comprehensively and nationally, the U.S. Department of Commerce is playing a convening role for seaports, stakeholders, and users to help them work together to identify how they can cooperate, collaborate, and share information more effectively and efficiently in order to achieve mutually beneficial improvements, and how the Federal Government can help spur increasing public-private partnerships and investment that can improve port-related operations, data-sharing technology, and infrastructure.

Under this initiative, the Department of Commerce has launched a series of regional port and supply chain competitiveness roundtables at key ports across the U.S., similar to the Administration's 21st Century Ports Roundtable in Baltimore in March 2016. Through these roundtables, the Department is learning what leading U.S. seaports are doing, together with their stakeholders, to improve their ability to coordinate, collaborate, and share information towards identifying and resolving operational port and infrastructure inefficiencies that negatively impact trade flows and cause congestion. The Department is also learning what additional steps could

be taken to improve port/stakeholder collaboration and partnerships, as well as to improve investment in port infrastructure, equipment, and technology.

This Notice is intended to supplement the Department's roundtables by soliciting public comment on the issues described below. The information gained through these roundtables and this Notice will be used to develop a report on best practices that U.S. seaports, stakeholders, and users can use as appropriate as a tool to help develop and implement mutually beneficial congestion relief and efficiency improvement measures through coordination, collaboration, and information sharing. The report is intended to be released in December 2016.

II. OBJECTIVES OF THIS NOTICE

This Notice offers an opportunity for all interested parties to share their perspectives and recommend actions that the Federal Government, state and local governments, and port users and stakeholders – individually and together – can take to help address U.S. port congestion and efficiency challenges, improve U.S. port and supply chain competitiveness, and enhance the role of ports as engines and catalysts of local, regional, and national economic development and job growth.

III. QUESTIONS

Commenters are encouraged to address any or all of the following questions. Please note in the response the number corresponding to the question(s). For any response, commenters may wish to consider describing specific goals; actions and roles that the United States Government, ports, stakeholders, and users might take to achieve these goals; evidence that demonstrates the benefits

and costs associated with the action; and whether the proposal is inter-agency or agency-specific. Specific, actionable proposals for action and for policy mechanisms directed to the relevant government agencies are most useful.

The Department seeks public comment on the following questions:

1. What are the most important challenges and opportunities facing U.S. port-related operations and efficiency?
2. What are best practices for improving port-related operations? How can the Federal Government help to share these best practices nationwide?
3. How can the Federal Government best promote the coordinated use of public funds for the development of port-related infrastructure? What can the Federal Government do, that it is not doing now, to stimulate and/or leverage private funding for port-related infrastructure?
4. What Federal policies should be modernized to promote U.S. port-related investment and operational performance?
5. How can the Federal Government best collaborate with stakeholders (state, local, labor, industry, port authorities, academia, financial institutions, etc.) to enhance U.S. port-related competitiveness?

6. What can the Federal Government do - on its own or in coordination and collaboration with state and local governments and the private sector - to enhance the value of ports as engines of economic growth and job creation?

7. How can technology and data be used to improve U.S. port and supply chain performance? What mechanisms, if any, should the Federal Government deploy to promote information sharing and develop a common technology platform?

8. Are there actions that have been taken by specific U.S. or foreign ports or other nations that should be highlighted as best practices for ports? If so, please describe.

Dated: May 20, 2016.

Bruce H. Andrews, Deputy Secretary

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